

## **CHAPTER 80-2-2**

### **GROUP SALES PROMOTIONS**

80-2-2-.01 Definitions. Amended  
80-2-2-.02 Group Sales Promotions Generally

#### **80-2-2-.01 Definitions. Amended.**

"Group Sales Promotions" shall mean any offering for the sale of goods or services by or through a credit union to its members, or a class of members, on behalf of a third party not affiliated with the credit union whether or not the credit union is compensated for making the offer available to its members or receives any compensation from the proceeds of the sale of such goods or services.

Authority Ga. L. 1974, pp. 733, 904.

#### **80-2-2-.02 Group Sales Promotions Generally.**

(1) "Group Sales Promotions" shall generally be permitted provided:

(a) There is no warranty, guaranty, or indemnity on the part of the credit union, either expressed or implied;

(b) All compensation or commissions, payable by the provider of such goods or services to any officer, director, employee, or committee member of the credit union in connection with the sale of such goods or services, shall be paid over to the credit union; provided, however, the requirements of this paragraph shall not preclude the individual promoting the group activity from participation in the promotion free of charge or at a discounted rate so long as the Board of Directors is advised accordingly and this fact is recorded in the minutes of the Board; and

(c) The "Group Sales Promotion" is authorized by a majority vote of the Board of Directors of the credit union.

(2) In addition to the foregoing requirements, "Group Sales Promotions" involving franchise or group insurance shall be subject to the additional requirement that "administration fees" paid to the credit union in connection with the sale of such insurance shall not exceed five (5) percent of the premiums collected by the credit union for transmission to the insurer or its agent.

(3) The prohibitions set forth in paragraph (1) (a) above shall be included in writing with all promotional material distributed to members of the credit union.

Authority Ga. L. 1974, pp. 733, 904.